

ECONOMIC DEVELOPMENT

Karen S. Patel

MISSION STATEMENT

The Department of Economic Development facilitates overall economic growth and job creation/retention through leadership, public/private collaborations, the provision of services to cities, attraction of new investment and the retention/expansion of existing businesses.

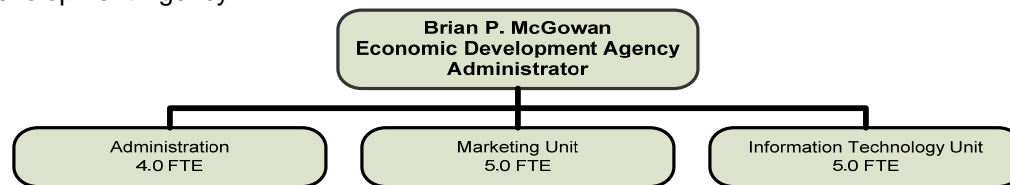
STRATEGIC GOALS

1. Business Retention/Attraction – To enhance the quality of life of the residents of the County of San Bernardino, the department will seek to retain and attract businesses by branding the county as an ethnically, culturally, socially and economically diverse region that provides competitive advantages with top level customer service.
2. Establish an image of the county as a global and diverse business center in the United States by continuing to develop overseas connections, infrastructure and understanding of global markets.
3. Enhance the County of San Bernardino's position to film and visit through the management and branding of the county's unique locations.

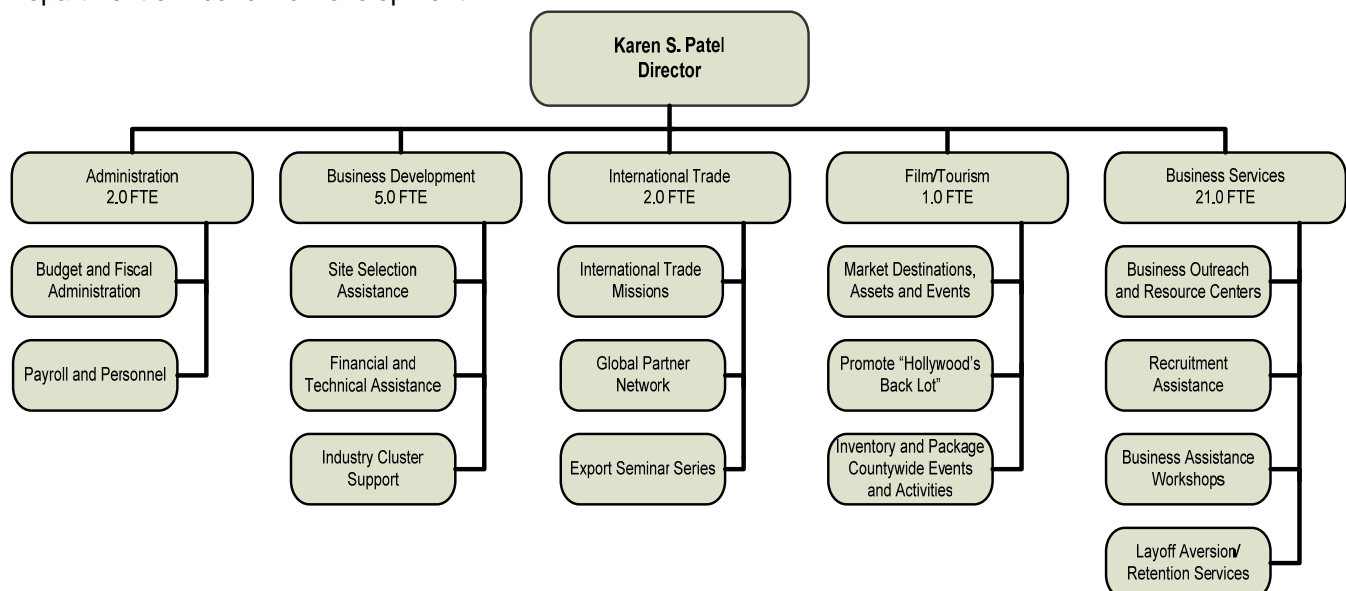
ORGANIZATIONAL CHART

This budget unit includes staffing for both the Economic Development Agency (15.0 FTE) and the Department of Economic Development (32.0 FTE). Below are the organizational charts for each entity.

Economic Development Agency:



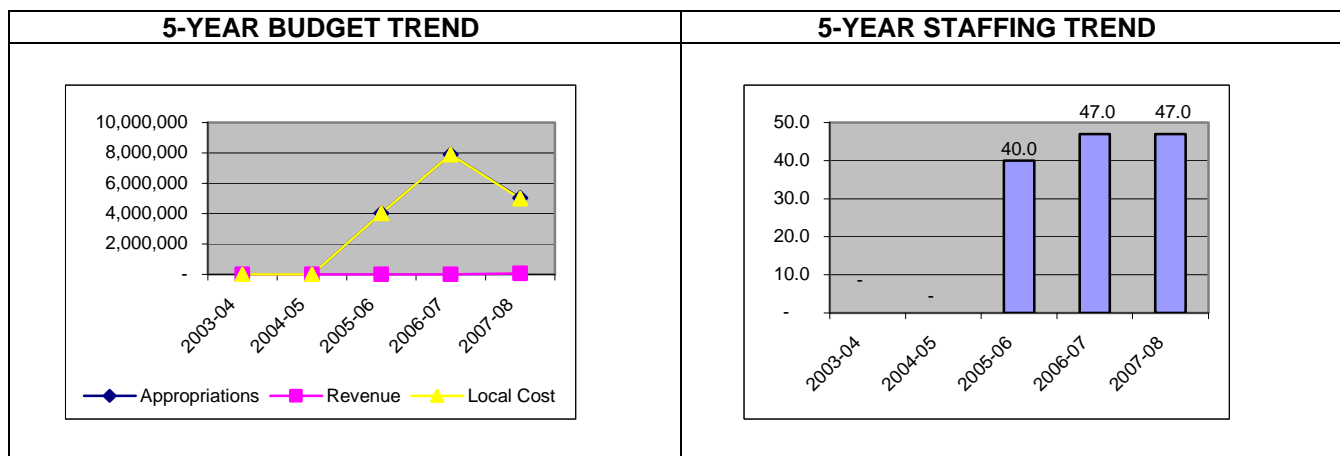
Department of Economic Development:



DESCRIPTION OF MAJOR SERVICES

The Department of Economic Development's major goals are to develop and implement a countywide economic development strategy that will maximize the standards of living of the county's residents, provide economic opportunities for the county's businesses, foster a competitive environment and position the county as a highly competitive region for business opportunities. The County of San Bernardino consistently spearheads initiatives for local, national and international impact for a competitive advantage by developing collaborations between the county and cities where the strategic partnerships offer critical services to clients regardless of geographical boundaries. We also spearhead support structures conducive for a creative business climate by creating a macro forum for networking ideas and programs via cluster development and high-valued industry sectors. Our focus is to have the County of San Bernardino viewed as the primary resource for all shareholders with unbeatable customer service by providing guidance and future economic development training for San Bernardino County cities and by fostering a respectful, open, cooperative environment with governmental departments and non-governmental entities.

BUDGET HISTORY



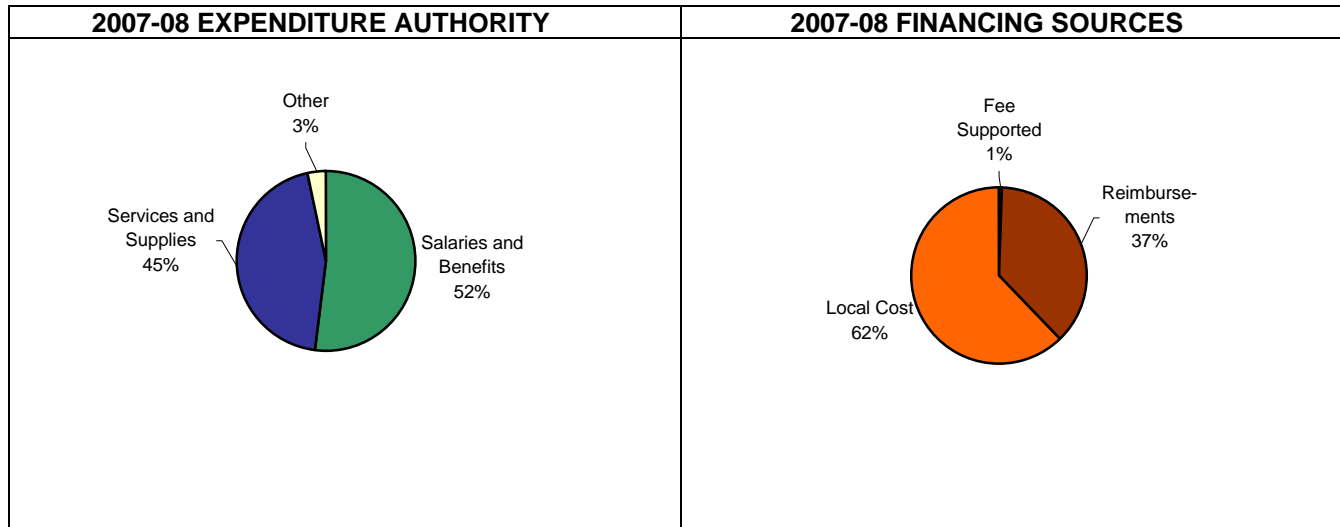
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Estimate
Appropriation	-	-	3,112,150	8,181,668	8,036,282
Departmental Revenue	-	-	43,634	299,000	301,000
Local Cost	-	-	3,068,516	7,882,668	7,735,282
Budgeted Staffing				47.0	

The Department of Economic Development was created as a result of the Board of Supervisor's approved formation of the Economic Development Agency on May 3, 2005 (Item 90). As part of the 2006-07 Final Budget, the Board approved the carry over of unexpended 2005-06 one-time funding totaling \$1,118,500. In addition, the Board approved approximately \$4.1 million in additional funding (\$2 million one-time funding and \$2.1 million ongoing funding) in order to support an enhanced economic development program. The department is expecting not to expend approximately \$145,386 of the 2006-07 appropriation primarily due to delays in the hiring of an Economic Development Manager as well as a Geographic Information Systems Technician II position.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Economic Development
FUND: General

BUDGET UNIT: AAA EDF
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	-	-	2,172,363	3,663,702	3,861,935	4,159,282	297,347
Services and Supplies	-	-	2,267,354	6,573,299	5,654,694	3,556,637	(2,098,057)
Central Computer	-	-	2,342	24,961	24,961	46,981	22,020
Equipment	-	-	39,110	107,737	-	-	-
Transfers	-	-	143,961	181,663	177,581	257,317	79,736
Total Exp Authority	-	-	4,625,130	10,551,362	9,719,171	8,020,217	(1,698,954)
Reimbursements	-	-	(1,542,435)	(2,515,080)	(1,834,503)	(2,972,767)	(1,138,264)
Total Appropriation	-	-	3,082,695	8,036,282	7,884,668	5,047,450	(2,837,218)
Operating Transfers Out	-	-	29,455	-	-	-	-
Total Requirements	-	-	3,112,150	8,036,282	7,884,668	5,047,450	(2,837,218)
Departmental Revenue							
Current Services	-	-	-	-	-	50,000	50,000
Other Revenue	-	-	43,634	4,000	2,000	4,000	2,000
Total Revenue	-	-	43,634	4,000	2,000	54,000	52,000
Operating Transfers In	-	-	-	297,000	-	-	-
Total Financing Sources	-	-	43,634	301,000	2,000	54,000	52,000
Local Cost	-	-	3,068,516	7,735,282	7,882,668	4,993,450	(2,889,218)
Budgeted Staffing	-	-	-	-	47.0	47.0	-

Salaries and benefits of \$4,159,282 fund 47.0 positions and are increasing by \$297,347 primarily resulting from costs associated with negotiated labor agreements, adjustments to hourly rates and benefits based on actuals, and fully funding the Economic Development Manager for Film/Tourism. In addition, the department has included two reclassification requests of vacant positions. The reclassification of an Office Assistant II to an Office Assistant III, at an increased cost of approximately \$3,700, is requested due to the problem the department has experienced trying to get qualified applicants. The reclassification of a Staff Analyst II to an Event Coordinator, at no increase in cost, is requested in order to correctly define the job description for the duties assigned to this position.



Services and supplies of \$3,556,637 represent much of the costs to support the enhanced economic development program. This includes costs for sponsorships/tradeshows, advertising, special events, public relations, international trade, film and tourism, and economic studies. The department will see increases of \$1,015,443 due to increases in several services and supplies categories. Some of those categories include risk management, fleet management, inflationary services and supplies, travel, vehicle charges, and printing services. However, there is a net decrease in services and supplies of \$2,098,057 due to the elimination of one-time funding amounting to \$3,113,500. The one time funding items eliminated from the 2007-08 budget are: A) rollover funding received in 2006-07 due to the short time the newly organized department had to operate in 2005-06 as well as the lengthy recruitment of the Agency Administrator, B) appropriations for various community services projects, C) the California Speedway Fan Zone Sponsorship and D) one time portion of funds for the High Desert Business Resource Center (BRC).

Transfers of \$257,317 generally relate to rent charges paid to the Department of Workforce Development (DWD) as well as the Department of Community Development and Housing (CDH).

Reimbursements of \$2,972,767 represent reimbursements from other departments primarily for business services provided by the Department of Economic Development staff and administrative costs provided by Economic Development Agency staff. Reimbursements saw a significant increase of \$1,138,264 due to administrative costs being underestimated in 2006-07. This was corrected for the 2007-08 Proposed Budget, resulting in an increase in reimbursements from DWD, CDH, the Redevelopment Agency, and the Transitional Assistance Department.

Revenue of \$54,000 increased by \$52,000 due to an additional \$2,000 anticipated in voucher processing fees and an additional \$50,000 in anticipated revenues from State of the County registration fees, which the Economic Development Agency now oversees.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Estimated	2007-08 Projected
Respond to business requests for assistance within 24 hours of acknowledgment and 5 day first tier resolution.	n/a	n/a	80%
Percentage of completed loan applications processed from submittal to close escrow within 10 weeks.	new	50%	80%
Percentage increase of number of job opportunities identified with San Bernardino businesses to better link job seeking clients. This will be obtained utilizing job seeking client information, including information provided by the Department of Workforce Development and the Transitional Assistance Department (24,103 jobs in 2005-06).	10%	10%	5%
Percentage increase of inquiries by businesses about locating in the county.	n/a	develop base for 2006-07	20%
Number of global partners established to commence networking for positive economic impact.	new	1	5
Percentage of identified businesses that are identified by the department to have potential in international trade who participate in county sponsored international forums and workshops (60 estimated identified businesses).	new	new	25%
Number of international trade missions led by the department.	new	1	2
Percentage increase of editorials/articles (26 editorial/articles in 2005-06).	25%	25%	25%
Percentage increase of television/radio broadcast coverage (3 broadcasts estimated in 2005-06).	25%	25%	25%



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POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2007-08 Performance Measurement
1	<p>Increase Economic Development Agency Staff*</p> <p>Add an Economic Analyst position (estimated range R70 \$73,278-\$93,704) subject to HR Classification) that will research economic information, economic impact and trends, develop and oversee economic studies, analyze the available economic information, and formulate trends and recommendations.</p> <p>*Economic Development Agency Policy Item Request</p>	1.0	114,700	-	114,700	
						<i>Number of Economic studies overseen and developed by the Agency</i>
2	<p>Sustained Econ. Dev. Program</p> <p>To continue to move the County's Economic Development program towards being the strongest in the region, the Department of Economic Development is requesting an additional \$1,140,000 in ongoing funding to increase sponsorships and tradeshow, advertising, economic studies, national public relations exposure, participation in special events, film and tourism activities, and international business opportunities.</p>	-	1,140,000	-	1,140,000	4
						<p>Percentage increase in leads from existing sponsorships.</p> <p>Percentage increase of business inquiries/leads both domestic and international.</p> <p>Number of website hits on the international trade services online directory and online event calendar.</p> <p>Enhanced database of film, video, and tourism assets to market.</p>
						<p>10%</p> <p>10%</p> <p>Est. baseline</p> <p>Est. baseline</p>



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3	<p>East Valley Bus. Resource Center</p> <p>Provide enhanced and expanded business services through an East Valley Business Resource Center co-located with the Department of Workforce Development's East Valley Employment Resource Center. The East Valley Employment Resource Center has an approved CIP request (#05-146) to relocate the existing employment resource center in San Bernardino to a new location that meets the needs of them and their partners. By co-locating the business and employment service functions, the county's impact for its businesses and citizens will be maximized. The department is requesting \$150,000 in one-time funding for facility office furniture, library resources and equipment. In addition, the department is requesting \$150,000 in ongoing funding for rent, utilities, stocking of the library and equipment replacement.</p>	-	300,000	-	300,000	
	<i>Number of businesses utilizing services of East Valley BRC</i>					Estab. Baseline
4	<p>San Bernardino Valley Enterprise Zone</p> <p>Act as the lead agency to develop, market, and administer the proposed San Bernardino Valley Enterprise Zone, a multi-jurisdictional Enterprise Zone (EZ) that will create jobs and retain and attract businesses. The proposed enterprise zone covers the County of San Bernardino along with the Cities of Colton and San Bernardino and the Inland Valley Development Agency. The department is requesting funding in the amount of \$37,000, which consists of \$27,000 in one-time funding to pay for the County's share of a necessary Environmental Impact Report (EIR) and \$10,000 in ongoing funding to pay for the County's share of administrative costs such as insurance, professional services (legal and auditing), etc.</p>	-	37,000	-	37,000	
	<i>Percentage of businesses within the enterprise zone attending the incentive workshops (current estimate of businesses within the Enterprise Zone is 2,400).</i>					10%
5	<p>The Fanzone Title Sponsorship *</p> <p>Continue the Fanzone Title Sponsorship and the entitlement at the NASCAR Craftsman Truck Series event at the California Speedway. This sponsorship partners the County of San Bernardino with the California Speedway to nationally market the opportunities available with the county at various NASCAR events. Funding is requested for both 2007-08 and 2008-09, which is the current agreement timeframe. After 2008-09, the agreement would either be terminated or re-negotiated.</p> <p>*Up to \$490,000 of the \$700,000 will be reimbursed from the Redevelopment Agency (assuming up to 70% reimbursement from RDA)</p>	-	700,000	-	700,000	
	<i>Performance measures already exist (See Performance Measure Section)</i>					
Total		1.0	2,291,700	-	2,291,700	

